

BEFORE THE PUBLIC DISCLOSURE COMMISSION
OF THE STATE OF WASHINGTON

IN THE MATTER OF ENFORCEMENT)	PDC CASE NO: 03-019
ACTION AGAINST)	
)	
Whatcom County Republican Party)	Notice of Administrative
)	Charges
Respondent.)	
_____)	

IT IS ALLEGED as follows:

I.
JURISDICTION

Jurisdiction of this proceeding is based on Chapter 42.17 RCW, the Public Disclosure Act, Chapter 34.05 RCW, Administrative Procedure Act, and Title 390 WAC.

II.
LAW

RCW 42.17.065(1) states: “In addition to the provisions of this section, a continuing political committee shall file and report on the same conditions and at the same times as any other committee in accordance with the provisions of RCW 42.17.040, 42.17.050, and 42.17.060.”

RCW 42.17.065(2) states in part: “A continuing political committee shall file with the commission and the auditor or elections officer of the county in which the committee maintains its office or headquarters and if there is no such office or headquarters then in the county in which the committee treasurer resides a report on the tenth day of the month detailing its activities for the preceding calendar month in which the committee has received a contribution or made an expenditure: PROVIDED, That such report shall only be filed if either the total contributions received or total expenditures made since the last such report exceed two hundred dollars...”

RCW 42.17.080(2) states, in part: “At the following intervals each treasurer shall file with the commission and the county auditor or elections officer of the county in which the candidate resides, or in the case of a political committee, the county in which the committee maintains its office or headquarters...a report containing the information required by RCW 42.17.090: (a) On the twenty-first day and the seventh day immediately preceding the date on which the election is held; and (b) On the tenth day of the first month after the election...and (c) On the tenth day of each month in which no other reports are required to be filed under this section: PROVIDED, That such report shall only be filed if the committee has received a contribution or made an expenditure in the preceding calendar month and either the total contributions received or total expenditures made since the last such report exceed two hundred dollars.”

RCW 42.17.080(3) states: “For the period beginning the first day of the fourth month preceding the date on which the special or general election is held and ending on the date of that election, each Monday the treasurer shall file with the commission and the appropriate county elections officer a report of each bank deposit made during the previous seven calendar days. The report shall contain the name of each person contributing the funds so deposited and the amount contributed by each person. However, contributions of no more than twenty-five dollars in the aggregate from any one person may be deposited without identifying the contributor. A copy of the report shall be retained by the treasurer for his or her records. In the event of deposits made by a deputy treasurer, the copy shall be forwarded to the treasurer for his or her records. Each report shall be certified as correct by the treasurer or deputy treasurer making the deposit.”

RCW 42.17.090(1) states, in part: “Each report required under RCW 42.17.080(1) and (2) shall disclose the following: (a) The funds on hand at the beginning of the period; (b) The name and address of each person who has made one or more contributions during the period, together with the money value and date of such contributions and the aggregate value of all contributions received from each such person during the campaign or in the case of a continuing political committee, the current calendar year... (d) All other contributions not otherwise listed or exempted ... and (f) The name and address of each person to whom an expenditure was made in

the aggregate amount of more than fifty dollars during the period covered by this report, and the amount, date, and purpose of each such expenditure...”

RCW 42.17.125 states in part: “Contributions...may only be transferred to the personal account of a ...treasurer or other individual...under the following circumstances: (2) Reimbursement for direct out-of-pocket election campaign and post election campaign related expenses made by the individual. To receive reimbursement from the political committee, the individual shall provide the political committee with written documentation as to the amount, date, and description of each expense, and the political committee shall include a copy of such information when its expenditure for such reimbursement is reported pursuant to RCW 42.17.090.

III. **BACKGROUND**

On August 8, 2002, the Public Disclosure Commission (PDC) staff filed a complaint alleging that the Whatcom County Republican Party (WCRP) had failed to timely file reports of contributions received and expenditures made covering the period November 1998 through 2001, in violation of RCW 42.17.065, 42.17.080 and 42.17.090. The WCRP is the bona fide county party for the Republican Party in Whatcom County.

IV. **FACTS**

These charges incorporate the Report of Investigation and all of its exhibits by reference.

On August 8, 2002, the PDC staff filed a complaint alleging that the WCRP was in violation of RCW 42.17.065, 42.17.080 and 42.17.090 by failing to timely file reports of contributions received and expenditures made during November 1998, 1999, 2000 and 2001. The WCRP is the bona fide county party for the Republican Party in Whatcom County.

For 1999, the WCRP treasurer was Kerry Ferrier. Gerrit Kuiken served as treasurer for the WCRP from January 2000 to January 2001, and Charles Culbertson was the treasurer for 2001.

Calendar Year 1998

On June 25, 2002, the WCRP filed a report (PDC form C-4) summarizing its contributions and expenditures for the month of December 1998. The report listed \$438 in expenditures, including \$222 for campaign related Get-Out-The-Vote telephone calls. The C-4 report was filed 3 years and 5 months late.

Calendar Year 1999

On June 25, 2002, the WCRP filed C-3 and C-4 reports disclosing its contributions and expenditures for calendar year 1999. The reports showed that the WCRP received \$21,422 in contributions and made \$18,761 in expenditures. The majority of the contributions received by the party during 1999 were from the party's Lincoln Day Dinner and Auction, and from its members' annual dues payments. The party's expenditures included a \$5,473 payment for newspaper advertising costs associated with a party building/Get-Out-The-Vote activity. A portion of the advertisement included candidate information, and that portion was reimbursed by the candidates featured. The information included on the C-3 and C-4 reports was filed between two and three years late. In addition, the WCRP failed to document the original vendors paid when making reimbursements to party officials and volunteers totaling \$6,786. The WCRP provided the required documentation on January 6, 2003.

Calendar Year 2000

On June 7, 2002, the WCRP filed C-3 and C-4 reports disclosing its contributions and expenditures for calendar year 2000. The reports showed that the WCRP received \$30,986 in contributions and made \$29,368 in expenditures. The majority of the contributions received by the party during 2000 were from the party's Lincoln Day Dinner and Auction, and from its members' annual dues payments. The expenditures included \$3,854.87 in monetary and in-kind contributions to three legislative candidates and one congressional candidate. The information included on the C-3 and C-4 reports was filed between one and two years late. In addition, the

WCRP failed to document the original vendors paid when making reimbursements to party officials and volunteers totaling \$14,034.77. The WCRP provided the required documentation on January 6, 2003.

Calendar Year 2001

On May 15, 2002, the WCRP filed C-3 and C-4 reports disclosing its contributions and expenditures for February through December 2001. The reports showed that the WCRP received \$29,002 in contributions and made \$27,368 in expenditures. The majority of the contributions received by the party during 2001 were from the party's Lincoln Day Dinner and Auction, and from its members' annual dues payments. The expenditures included \$2,300 in monetary contributions to candidates for local office in Whatcom County, and Independent Expenditures supporting local candidates in Whatcom County totaling \$1,959. The information included on the C-3 and C-4 reports was filed between 125 and 324 days late. In addition, the WCRP failed to document the original vendors paid when making reimbursements to party officials and volunteers, and when making payments to credit card companies totaling \$14,433.18. The WCRP provided the majority of the required documentation on January 6, 2003.

The WCRP stated that the following factors contributed to its late filings between 1998 and 2001:

- the WCRP had three separate treasurers and two different chairs;
- the WCRP did not maintain a committee headquarters;
- two of the treasurers suffered illnesses while serving as treasurer.

The chairs of the WCRP between 1999 and 2001 said they were unaware that PDC reports detailing contribution and expenditure activities were not being timely filed by the treasurer.

Following is a chart showing the filings for the WCRP for December 1998, 1999, 2000 and 2001.

<u>Year</u>	<u>Contributions</u>	<u>Expenditures</u>	<u>Expenditures for Candidates</u>	<u>Date Filed</u>	<u>Amount Late</u>
Dec. 1998	None	\$ 438	None	6/25/02	3 yrs. 5 months
1999	\$ 21,422	\$ 18,761	None	6/25/02	2 – 3 years
2000	\$ 30,986	\$ 29,368	\$ 3,854.87	6/7/02	1 – 2 years
2001	\$ 29,002	\$ 27,368	\$ 2,300 \$ 1,959 (I.E.s)	5/15/02	125 – 324 days
Totals	\$ 81,410	\$ 75,935	\$ 8,113.87		

A review of the reports submitted by the Whatcom County Republican Party covering the period January 1 through November 30, 2002, showed that the WCRP established an exempt funds account and a non-exempt funds account for 2002, and substantially complied with the reporting requirements for both accounts.

V. **CONCLUSION**

Staff alleges the following:

- The WCRP violated RCW 42.17.065 by failing to timely file committee reports covering the period December 1, 1998 through December 31, 2001 as required for a continuing political committee.
- The WCRP violated RCW 42.17.080, and 42.17.090 by failing to timely report the original vendors for reimbursements and payments made to party officials and volunteers, and for the payments made to credit card companies between the period 1999 through 2001 for expenditures incurred by WCRP officials and volunteers.

- The WCRP violated RCW 42.17.080 and 42.17.090 on multiple occasions by failing to timely file reports of contributions and expenditures occurring between December, 1998, and December, 2001. This included the failure to timely file C-3 reports on a weekly basis for contributions received, as required by RCW 42.17.080.

The amount reported late for December 1998, 1999, 2000 and 2001 activities totaled \$81,410 in contributions received, and \$75,935 in expenditures made, \$13,587 of which supported candidates.

RESPECTFULLY SUBMITTED this 8th day of January, 2003

Philip E. Stutzman
Director of Compliance